

**MINUTES
CITY OF ST. CHARLES, IL
GOVERNMENT OPERATIONS COMMITTEE
MONDAY, JULY 7, 2014**

1. Opening of Meeting

The meeting was convened by Chair. Turner at 7:37 p.m.

2. Roll Call

Members Present: Chair. Turner, Ald. Stellato, Silkaitis, Payleitner, Lemke, Bancroft, Martin, Krieger, Bessner and Lewis

Absent: None

3. Omnibus Vote

Budget Revisions – May 2014

Motion by Ald. Stellato, second by Silkaitis to approve the omnibus items as presented.

Voice Vote: Unanimous; Nays: None. Chrmn. Turner did not vote as Chairman. **Motion carried.**

4. Finance Department

- a. Recommendation to approve a Resolution Authorizing the Mayor and the City Clerk of the City of St. Charles to Waive the Bid Procedure and Accept Quote from Driessen Construction for Concrete Pad for Cable Storage.**

Michael Shortall: This project is part one of a two-part project. The intention of this request is to build a concrete pad to support a three-sided storage building. This building will be located in the City's Electric storage yard and will protect the inventory storage of electric cable. I will solicit your approval for part two in the near future after receiving the RFQ pricing on the building. This project was approved through the City's budget process and I am pleased that a local vendor Driessen Construction was the low quote on this. I therefore ask for your approval.

Motion by Ald. Lemke, second by Stellato to recommend approval of a Resolution Authorizing the Mayor and the City Clerk of the City of St. Charles to Waive the Bid Procedure and Accept Quote from Driessen Construction for Concrete Pad for Cable Storage.

Voice Vote: Unanimous; Nays: None. Chrmn. Turner did not vote as Chairman. **Motion carried.**

- b. Recommendation to approve an Ordinance Authorizing the Sale of Items of Personal Property Owned by the City of St. Charles (miscellaneous items).**

Michael Shortall: We are asking for approval to sell City property via publics surplus.com. The City uses this website to dispose of City property.

Motion by Ald. Stellato, second by Bancroft to recommend approval of an Ordinance Authorizing the Sale of Items of Personal Property Owned by the City of St. Charles (miscellaneous items).

Voice Vote: Unanimous; Nays: None. Chrmn. Turner did not vote as Chairman. **Motion carried.**

c. Presentation of Quarterly Update Regarding City's Financial Results for April 2014 – Information Only.

Julie Herr: I am presenting tonight the preliminary financial reports for the City's main operating funds for our fiscal year end April 30, 2014. These are preliminary results and we are in the process of calculating our year-end adjustments and accruals that may have a significant impact on the results; so what you see on paper today may not be what you see when the final results are available around October. Because these results are preliminary and the results might be different, it is best to look at these numbers as comparisons to budget and the prior year rather than looking at what the bottom line is because that bottom line number will change.

General Fund: This fund ended the fiscal year with revenues that were below budget expectations by 3-1/2% but were ahead of last year's revenue by 1%. We did experience positive growth in State income tax collections but we also did see declines in hotel/motel taxes and telecommunications taxes. Expenditures came in about 9% below budget and were over the prior year's budget by 2%. However, some budgeted expenditures, in particular contractual services, may actually be rolled into this fiscal year because the project or the service wasn't completed before the end of the year; so there may be an impact for 2014/15 because these projects were not completed.

Electric Fund: Electric sales as of April 30th were 9% ahead of last year and 2% over what was budgeted. This is primarily due to the implementation of the Power Cost Adjustment (PCA) factor that went into effect 2013. Expenses were almost 6% above the prior year and that is due to the increase in wholesale power costs; however, compared to budget, Electric fund expenses were 3% below.

Water Fund: Sales as of the end of the year were less than 1% below last year's numbers as well as budget. Think back to the summer of 2013, it was a fairly wet summer in comparison to 2012; so even though we had the benefit of the rate increase, the lower consumption offset is why it was a stagnate growth from the year before. Expenses came in 13% below prior year expenses and 40% below revised budget. However these significant variances are mainly due to fluctuations in capital projects. If the capital project gets started and doesn't get completed until the next year it gets distorted because we budget the entire amount in that fiscal year. Please note that if some of these projects weren't started in FY13/14 they may be rolled into FY14/15 – so that's something we have to account for.

Wastewater Fund: Sales in this fund were 6% ahead of last year's numbers but we are slightly below what our budgeted expectations were by about 2%. Expenses came in 36% over prior year expenses primarily due to the ongoing construction of the bio-solids project. There is a significant increase in capital related to that project which is still ongoing and hopefully will be completed within the next couple of months.

Compared to budget, expenses were 24% below budget because of the capital project that was not completed in FY13/14. Again some of these projects might be rolled into this year/next year in order to budget them for completion.

Chrmn. Turner: On the electric, your raw figures show it has a \$1.2M surplus; is that due primarily to the rates or due to the projects weren't completed or are being rolled over?

Julie: It's a combination of both. The PCA factor did have lower consumption in the summer because it wasn't as hot. The cold winter we experienced higher consumption; so it was a result of increased consumption in the winter months, the rate increase plus the PCA factor, in addition to some projects that didn't get completed this year.

5. Executive Session - None

- Personnel
- Pending Litigation
- Probable or Imminent Litigation
- Property Acquisition
- Collective Bargaining
- Review of Minutes of Executive Sessions

6. Additional Items

None.

7. Adjournment

Motion by Ald. Stellato, second by Bessner to adjourn meeting at 7:50 p.m.

Voice Vote: Unanimous; Nays: None. Chrmn. Turner did not vote as Chairman. **Motion carried.**

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